

SJR 36
Distributed Energy Generation

Study Plan

October 27, 2005

Table of Contents

Introduction

How the ETIC Plans its Work 1

Source /Authority, Background and Committee Action 2

SJR 36 Study Plan Tasks 3

Interim Time Line, 2005-2006 6

Introduction

This is the study plan for Senate Joint Resolution 36 which has been assigned to the Energy and Telecommunications Interim Committee in the 2005-2006 interim. In this document you will find:

- An explanation of how the ETIC plans its work.
- Background on SJR 36
- Committee discussion of SJR 36
- Study plan tasks for SJR 36
- An overall interim time line.

How the ETIC Plans its Work

During a legislative interim the ETIC typically focuses on two major study topics. At the same time, it maintains oversight of any administrative rules adopted or legislation proposed by the Montana Department of Public Service Regulation and the Public Service Commission. It also monitors the operations of the DPSR and PSC, giving particular attention to opportunities for improving existing law and possibilities for future legislation.

This *draft study plan for SJR 36* is intended to be a decision making tool to help Subcommittee members work together efficiently to set priorities and decide how and where to spend the subcommittee's limited time and resources. Clearly, this study plan (as well as the plan for the committee's second study, SJR 39) fits within the time and resource parameters described in the ETIC's overall Work Plan.

At the end of this document is a draft time line for the whole interim. It incorporates the scheduled tasks for each of the two studies as well as implementation dates for the ETIC's other duties.

SJR 36 Study plan

Source / Authority: Senate Joint Resolution 36 (2005). A resolution requesting the study of the possible benefits of and barriers to distributed energy generation in Montana.

Background: SJR 36 emphasized the following points: Renewable and other small-scale distributed generation has increased citizen and lawmaker interest; complements the central-station model of electricity generation and offers potential solutions to many of today's pressing energy and electric power problems; might be a quicker and more affordable alternative for adding future load to remote Montana locations; is ideal for several of the emerging technologies currently being promoted and developed in Montana.

The study resolution concluded by resolving that the appropriate interim committee should "explore any technical, market, and regulatory challenges to developing distributed generation that might exist and to inform the Legislature how these barriers might be overcome."

Committee Action:

The ETIC allocated **0.25 - 0.35 FTE** for this study. This represented a mix of the higher and lower study options presented to the committee. The general work goals selected for this work study approach were:

- ☞ Identify the potential benefits that distributed generation offers energy development in Montana
- ☞ Identify any technical, market, regulatory, or other barriers to developing distributed energy generation that might exist and how they might be overcome.
- ☞ The analysis of benefits and barriers is to include section forecasting impact on rate payers of expanding distributed energy generation
- ☞ Prepare profiles of distributed energy as it might exist in other states with comparable demographic and energy profiles
- ☞ Prepare a **White Paper** on the potential benefits of and barriers to the development of distributed energy generation

For further information on this topic, please contact the following staff people:

Casey A. Barrs: (406) 444-3957, cbarrs@mt.gov
Todd Everts: (406) 444-3747, teverts@mt.gov

Distributed Energy Generation

SJR 36 Study Plan Tasks

- **1.** ETIC committee members choose broad *study options* for the study (ranging from "Cadillac DeVille" to "Station Wagon") prepared by staff.
- Who: ETIC staff and committee members
Time: At ETIC's June 20-21 meeting
- **2.** Review *literature* and interview *experts* on distributed energy generation (both general and Montana-specific).
- Who: ETIC staff
Time: Before and after ETIC's September 22 meeting
- **3.** Finish reviewing *literature* and interviewing *experts* on distributed energy generation (both general and Montana-specific).
- Hold a meeting open to the *public* as well as *interested persons* to discuss the desirability and feasibility of distributed energy generation in Montana. Four presenters initiate and loosely frame the discussion. (They will address the technical, market, and regulatory "pros and cons" of the issue.) Meeting lightly moderated by staff. Committee members are welcome to attend.
- Who: ETIC staff
Time: November 21
- **4.** Discussion of views expressed about distributed energy at the public meeting the preceding evening.
- Who: ETIC staff
Time: At ETIC's November 22 meeting
- **5.** Mail to members a "*recap*" of (1) public and interested persons views expressed on distributed energy, (2) committee discussion of same, and (3) broad findings from literature and experts of same.
- Who: ETIC staff
Time: By end of November

- **6.** Members discuss "recap" of public input and staff research on distributed energy.
- Who: ETIC staff and committee members
Time: At ETIC's December __ meeting
- **7.** Prepare *draft white paper* for the committee. Mail it to ETIC members prior to next meeting.
- Who: ETIC staff
Time: By ETIC's March 23-24 meeting
- **8.** Present *draft white paper* to the committee. (Committee members offer comments and suggest revisions.)
- Who: ETIC staff and ETIC members
Time: At ETIC's March 23-24 meeting
- **9.** *Incorporate feedback* from committee into a revised draft white paper.
- Make revised draft available to interested persons and public for comment during the month of April. Incorporate and/or make annex of comment.
- Who: ETIC staff and committee members
Time: Before ETIC's May 4 meeting
- **10.** Present revised draft white paper to the committee. Obtain *final comments* from committee members. If the committee wants any pre-introduced legislation associated with this paper, it will inform staff at this meeting.
- Who: ETIC staff and committee members
Time: At ETIC's May 4 meeting
- **11.** ETIC reviews and either rejects or approves the staff white paper. The draft of pre-introduced legislation (if any was requested) will also be presented for review at this meeting.
- Who: ETIC staff and committee members
Time: At ETIC's September 7 meeting

Interim Time Line 2005-2006

Note: This time line plots agenda items for all the meetings of the interim. It incorporates the scheduled tasks for each of ETIC's studies (SJR 36 & 39) as well as implementation dates for the ETIC's other duties and interests.

June 20-21, 2005 (Roundup)

- Election of Chair and Vice Chair.
- Overview of responsibilities and guidelines.
- Update by Public Service Commission.
- Discussion of ETIC work plan and calendar. Committee gives initial directive.
- Presenter on the Southern Montana Electric Generation and Transmission Cooperative.
- Presenter on the Rocky Mountain Ethanol plant.
- Staff update on PPL's market-based rate authority.
- Tour of Bull Mountain Mine.

September 22, 2005 (Helena)

- Presenter on *SJR 36*.
- Staff overview of study plans for *SJR 36* and *SJR 39*.
- Presenters on Montana transmission issues.
- Presenters update on Governor's Energy Summit and other energy issues.
- Presenter on the Montana-Alberta Tie, Ltd.
- Staff update on Great Plains Wind and Energy.
- Update by Public Service Commission.
- Presenters on university system roles in energy development.
- Staff update on telecom issues (requested tracking).
- Other: (1) Committee to approve ETIC overall work plan and two study plans.
(2) Other.
- Public comment.

November 21, 2006 (Helena)

- Evening public meeting on *SJR 36* which committee members are welcome to attend.

November 22, 2006 (Helena)

- Members review utility USBP reports (mailed in advance) and decide if any comments on compliance are needed or if staff should assist.

- Panel on the state of the regulated telecommunications industry in Montana.
- Staff update on progress of 9-1-1 Advisory Council and interested parties.
- Staff report on Governor's "Energy Summit".
- Presenter on "qualifying facilities".
- Update by Public Service Commission.
- *SJR 36*
 - Committee discussion of public views expressed preceding evening.
- *SJR 39*
 - Staff summary (mailed in advance) of responses to short survey.
 - Staff summary (mailed in advance) of models used by other select states.
 - Presenters / panelists on the possible advisability and form of an entity to plan and coordinate energy policy.
- Public comment.

December ____, 2006 Half day meeting before or during the special session (Helena)

- *SJR 36*
 - Members discuss "recap" of public input and staff research on distributed energy.
 - Review of study plan. Make changes if necessary.
- *SJR 39*
 - Committee discusses different models of statewide energy "entities". It then directs staff to develop specific model(s) in the context of Montana.
 - Review of study plan. Make changes if necessary.
- Public comment.

March 23-24, 2006 (Helena)

- Panel to discuss mercury.
- *SJR 36*
 - Staff presents draft white paper (mailed in advance). Committee offers comments and revisions.
- *SJR 39*
 - Staff presents the requested model(s) of an energy entity for Montana. Committee offers comments and revisions, and specifies if there should be a 30 day period for public review and comment.
- Update by Public Service Commission.
- Public comment.

May 4, 2006 (Helena)

- Review any legislation proposed by the Department of Public Service Regulation or the Public Service Commission. Committee decides if staff should draft such legislation for pre-introduction.
- Members review utility USBP reports (mailed in advance) and decide if any comments on compliance are needed or if staff should assist.
- *SJR 36*

- Staff presents revised draft white paper (mailed in advance). Committee offers final comments. It also requests any draft legislation for pre-introduction by this date.
- *SJR 39*
 - Staff presents revised draft interim report (mailed in advance). Committee offers final comments. It also requests any draft legislation for pre-introduction by this date.
- Public comment.

September 7, 2006 (Helena)

- Any legislation (mailed in advance) drafted by staff on behalf of the DPSR or PSC, or at the request of the committee, is reviewed and accepted or rejected.
- *SJR 36*
 - White paper (mailed in advance) reviewed and accepted or rejected. Draft legislation for pre-introduction, if any, accepted or rejected, and sponsor selected.
- *SJR 39*
 - Interim report (mailed in advance) reviewed and accepted or rejected. Draft legislation for pre-introduction, if any, accepted or rejected, and sponsor selected.
- Update by Public Service Commission.
- Public comment.

CI0429 5298cbxa.